

BRYAN J. BAPTISTE
Mayor



Lani D. H. Nakazawa
County Attorney

OFFICE OF THE COUNTY ATTORNEY

COUNTY OF KAUAI, STATE OF HAWAII
MO'IKEHA BUILDING
4444 RICE STREET, SUITE 220
LIHU'E, KAUAI, HAWAII 96766-1300
TEL (808) 241-6315
FAX (808) 241-6319

Family Support Division
Wayne S. Shimizu

Deputies
Margaret Hanson
Laurel Loo
Christiane L. Nakea
James K. Tagupa
Waiyee Carmen Wong

LETTER OF TRANSMITTAL

May 21, 2004

TO: Public Utilities Commission
465 S. King Street, Rm 103
Honolulu HI 96813

FILED
MAY 24 1 02 PM '04
PUBLIC UTILITIES
COMMISSION

RE: Docket No. 03-0371, In the Matter of Public Utilities Commission
Instituting a Proceeding to Investigate Distributed Generation in Hawai'i

We are enclosing the following:

Original + 10 - County Of Kaua'i's Information Requests to the Kaua'i Island
Utility Cooperative and Certificate Of Service

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|---|---|
| <input type="checkbox"/> For your information | <input type="checkbox"/> For necessary action |
| <input type="checkbox"/> For your files | <input type="checkbox"/> For signature in BLACK |
| <input type="checkbox"/> For review and comment | INK and RETURN |
| <input type="checkbox"/> For correction | <input type="checkbox"/> For signature in BLACK |
| <input type="checkbox"/> For distribution | INK and FORWARD TO |
| <input type="checkbox"/> Per your request | |
| <input type="checkbox"/> Per our agreement | <input checked="" type="checkbox"/> For filing or recording |
| <input type="checkbox"/> Per our conversation | <input type="checkbox"/> See remarks below |

REMARKS: After filing, please return two copies in the envelope provided.
Thank you.


CHRISTIANE L. NAKEA-TRESLER

Enclosures

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAI'I

PUBLIC UTILITIES
COMMISSION

MAY 24 1 02 PM '04

RECEIVED
MAY 24 2004

In the Matter of)	
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PUBLIC UTILITIES COMMISSION)	Docket No. 03-0371
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Instituting a Proceeding to Investigate)	
Distributed Generation in Hawai'i.)	
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COUNTY OF KAUAI'S INFORMATION REQUESTS
TO THE KAUAI ISLAND UTILITY COOPERATIVE

and

CERTIFICATE OF SERVICE

LANI D. H. NAKAZAWA 1818
CHRISTIANE L. NAKEA-TRESLER 7409
Office of the County Attorney
County of Kaua'i
4444 Rice Street, Suite 220
Lihu'e, Hawai'i 96766-1300
Telephone: (808) 241-6315

Attorneys for the County of Kaua'i

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of)	
)	
PUBLIC UTILITIES COMMISSION)	Docket No. 03-0371
)	
Instituting a Proceeding to Investigate)	
Distributed Generation in Hawai'i.)	
_____)	

INFORMATION REQUESTS TO THE KAUA'I ISLAND UTILITY COOPERATIVE

The following are the County of Kaua'i's (COK) Information Requests (IRs) to Kaua'i Island Utility Cooperative (KIUC) Regarding KIUC's Preliminary Statement of Position (SOP). The IRs are designated as COK-IR-SOP-(number).

COK-SOP-IR-1 Reference: Issue 1

On pages 6 and 8 of its SOP, KIUC states that it does not believe that a general determination of what forms of distributed generation are feasible and viable for Hawai'i can be made at the current time. The following IRs address KIUC's apparent efforts to explore the feasibility and viability of distributed generation.

- a. The minutes of KIUC's board meeting of March 31, 2004 refers to a renewable energy study (agenda item #6, president's report).
 - i. Please provide a scope of work for the study.
 - ii. State if renewable energy distributed generation will or will not be part of the study and the reasons for inclusion or exclusion.

- b. The minutes for the same board meeting indicate that the board unanimously approved a motion to fund and proceed with a feasibility study on distributed generation. Please provide a scope of work or a detailed description of what this feasibility study will entail.

COK-SOP-IR-2

Reference: Issue 1

On page 8 of its SOP, KIUC states that the feasibility and viability of specific forms of distributed generation "... can only be made on a case-by-case basis..." and that "...the members of KIUC will have a great deal of input on how distributed generation opportunities should be pursued for its electrical system."

Will each member be provided an opportunity for input? If so, explain the process to be used to solicit input. If not, please explain how KIUC intends to solicit member input to determine the support level for distributed generation and the direction and projects to be pursued.

COK-SOP-IR-3

Reference: Issue 1

On page 1 of the Preliminary Statement of Position filed by Hawaiian Electric Company, Inc. Hawai'i Electric Light Company, Inc. and Maui Electric Company, Limited (HEI Companies' SOP), the companies propose seven factors to determine whether a form of distributed generation is feasible and viable for Hawai'i.

Does KIUC agree that the seven factors are valid criteria for determining the feasibility and viability of distributed generation for Hawai'i, whether on a case-by-case or generic basis? If not, please specify the areas of disagreement and the reasons for disagreement.

COK-SOP-IR-4

Reference: Issue 2

On page 8 of the HEI Companies' SOP, the companies describe their intentions regarding customer-sited emergency generation, CHP systems to customers, industrial customer-sited cogeneration facilities, and customer-sited generators for power purposes.

Please specify the differences between KIUC's intentions on these situations and the reasons KIUC's intentions differ from the positions of the HEI companies as described on page 8 of the HEI Companies' SOP.

COK-SOP-IR-5

Reference: Issue 2

On pages 9-12 of the HEI Companies' SOP, the companies describe their position with regard to utility participation in the provision of CHP.

Is the position of the HEI companies, as described on pages 9-12 of their SOP identical to KIUC's position? If no, please specify how and why KIUC's position differs from the position of the HEI companies on page 8 of the HEI Companies' SOP.

COK-SOP-IR-6

Reference: Issue 3

On pages 14-15 of the HEI Companies' SOP, the companies state that their view of the appropriate role for the Commission, including review of utility applications, contracts filed under an approved CHP program, review the consistency of the form of Rule 4 contracts for consistency in form and pricing with the CHP program, review and approve tariffs, including those setting interconnection standards, and review whether the retail sale of electricity by third-party owners falls within the purview of public utility statutes.

Does KIUC agree with the HEI companies' position of the Commission's role, as described on pages 14-15 of the HEI Companies' SOP? If no, please identify the area(s) of disagreement and the reasons for the disagreement.

COK-SOP-IR-7

Reference: Issue 3

On pages 13-15 of the HEI Companies' SOP, the companies describe their intentions regarding seven categories of distributed generation applications.

Are the positions and intentions of the HEI companies, as described on pages 13-15 of their SOP identical to KIUC's positions and intentions on the same issues? If no, please specify how and why KIUC's positions and intentions differ from the positions and intentions of the HEI companies on pages 13-15 of the HEI Companies' SOP.

COK-SOP-IR-8

Reference: Issues 4-8

On pages 16-27 of the HEI Companies' SOP, the companies describe their positions on issues 4, 5, 6, 7, and 8.

Are the positions of the HEI companies, as described on pages 16-27 of their SOP identical to KIUC's positions on issues 4-8? If no, please specify how and why KIUC's positions differ from the positions of the HEI companies on issues 4,5,6,7, and 8, as described on pages 16-27 of the HEI Companies' SOP.

COK-SOP-IR-9

Reference: Issue 9

The HEI Companies' SOP describes proposed changes to the companies' proposed modifications to their existing rules to establish interconnection standards and to require an interconnection agreement for distributed generating facilities operating in parallel with the companies' electric systems.

Does KIUC believe that the rule changes implemented or proposed by the HEI companies (as described and identified in pages 28-29 of the HEI Companies' SOP) are

appropriate for adoption by KIUC. If not, please state the reasons the rule changes would not be appropriate for KIUC.

COK-SOP-IR-10 Reference: Issue 10

On pages 30-31 of the HEI Companies' SOP, the companies state that "HECO and HELCO have obtained approval for certain customer retention rate provisions in Rule 4 of their respective tariffs in order to address the issue of uneconomic bypass."

Does KIUC believe that the changes made by HECO and HELCO to their respective Rule 4(s) are necessary for KIUC to address the issue of uneconomic bypass. If no, please state the reasons for KIUC's conclusion.

COK-SOP-IR-11 Reference: Issue 10

Page 18 of KIUC's SOP states that "...KIUC has begun to explore the feasibility of providing on-site generation that is owned by KIUC with service provided in accordance with KIUC's existing tariff."

- a. What is KIUC's position regarding non-KIUC owned distributed generation?
- b. Does "in accordance with KIUC's existing tariff" mean that KIUC's current standby charges (standby rider rates) for customers who will be served by on-site generation will remain unchanged? If yes, please explain why changes are not required. If no, please explain the reasons for making changes and describe the methodology for calculating the appropriate standby charge(s).

COK-SOP-IR-12 Reference: Issue 11

The Division of Consumer Advocacy (CA) maintains that the Integrated Resource Plan (IRP) process must address the impact of DG projects. (CA Preliminary Statement of Position at 23). The HEI Companies' SOP states that "[n]o changes to the IRP framework are required for consideration of DG." (HEI Companies' SOP at 33).

- a. Does KIUC agree with the Consumer Advocate's position or the HEI companies' position? Please explain the reason(s) for the choice. If KIUC has a different position, please state the position and the reason(s) for the position.
- b. KIUC's SOP states that the drivers that exist for investor owned utilities may not apply to KIUC as a cooperative. Please identify the

drivers and state how each driver affects the manner in which KIUC presently addresses distributed generation and IRP issues.

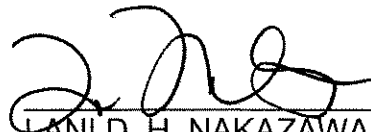
COK-SOP-IR-13

Reference: Issue 13

On page 36 of the HEI Companies' SOP, the companies suggest changes in rules and practices that are necessary to facilitate the successful deployment of distributed generation.

Does KIUC agree with the HEI companies' suggested changes? If no, please state KIUC's reasons for its conclusion.

Dated: Līhu'e, Kaua'i, Hawaii, May 19, 2004.

A handwritten signature in black ink, appearing to read 'Lani D. H. Nakazawa', is written over a horizontal line.

LANI D. H. NAKAZAWA
CHRISTIANE L. NAKA-TRESLER
Attorneys for the County of Kaua'i

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing County of Kaua'i's Information Requests to the Kaua'i Island Utility Cooperative, together with this Certificate of Service, were served by first class mail, postage prepaid to the following on May 21, 2004:

Division of Consumer Advocacy 335 Merchant Street, Room 326 Honolulu, HI 96813	3 copies
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Thomas W. Williams, Jr., Esq. Peter Y. Kikuta, Esq. Goodsill Anderson Quinn & Stifel Ali'i Place, Suite 1800 1099 Alakea Street Honolulu, HI 96813 Attorneys for Hawaiian Electric Company, Inc. Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc.	1 copy
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William A. Bonnet Vice President Hawaiian Electric Company, Inc. Hawaii Electric Light Company, Inc. Maui Electric Light Company, Limited P. O. Box 2750 Honolulu, HI 96840-0001	1 copy
--	--------

Patsy H. Nanbu Hawaiian Electric Company, Inc. P. O. Box 2750 Honolulu, HI 96840-0001	1 copy
--	--------

Alan M. Oshima, Esq. Kent D. Morihara, Esq. 841 Bishop Street, Suite 400 Honolulu, HI 96813	2 copies
--	----------

Alton Miyamoto President & CEO Kaua'i Island Utility Cooperative 4463 Pahe'e Street Lihu'e, HI 96766	1 copy
George T. Aoki, Esq. The Gas Company P. O. Box 3000 Honolulu HI 96802-3000	1 copy
Steven P. Golden The Gas Company P. O. Box 3000 Honolulu HI 96802-3000	1 copy
Gail S. Gilman The Gas Company P. O. Box 3000 Honolulu HI 96802-3000	1 copy
Brian T. Moto Corporation Counsel Department of the Corporation Counsel 200 S. High Street Wailuku, HI 96793	1 copy
Cindy Y. Young Deputy Corporation Counsel County of Maui Department of the Corporation Counsel 200 S. High Street Wailuku HI 96793	1 copy
Kalvin K. Kobayashi Energy Coordinator County of Maui Department of Management 200 S. High Street Wailuku HI 96793	1 copy
Warren S. Bollmeier II, President Hawaii Renewable Energy Alliance 46-040 Konane Place #3816 Kaneohe HI 96744	1 copy

John Crouch Box 38-4276 Waikoloa HI 96738	1 copy
Rick Reed Inter Island Solar Supply 761 Ahua Street Honolulu HI 96819	1 copy
Henry Curtis Life of the Land 76 North King Street, Suite 203 Honolulu, HI 96817	3 copies
Sandra-Ann Y. H. Wong, Esq. 1050 Bishop Street, Suite 514 Honolulu, HI 96813 Attorney for Hess Microgen	1 copy
Christopher S. Colman Deputy General Counsel Amerada Hess Corporation One Hess Plaza Woodbridge NJ 07095	1 copy
Michael de'Marsi Hess Microgen 4101 Halburton Road Raleigh NC 27614	1 copy
Thomas C. Gorak Gorak & Bay LLC 76-6326 Kaheiau Street Kailua-Kona HI 96740-3218 Attorney for Pacific Machinery, Inc. and Johnson Controls, Inc.	1 copy
Gordon Bull Branch Manager Johnson Controls, Inc. 3526 Breakwater Court Hayward CA 94545	1 copy

<p>Jim Reisch Vice President & General Manager- Engine Division Pacific Machinery, Inc. 94-025 Farrington Highway Waipahu HI 96797</p>	<p>1 copy</p>
<p>Glenn Sato, Energy Coordinator Office of Economic Development 4444 Rice Street, Suite 200 Līhu'e HI 96766</p>	<p>1 copy</p>
<p>John W. K. Chang, Esq. Deputy Attorney General Department of the Attorney General State of Hawai'i 425 Queen Street Honolulu, HI 96813</p>	<p>1 copy</p>
<p>Maurice H. Kaya, P.E. Chief Technology Officer DBEDT-Strategic Industries Division P. O. Box 2359 Honolulu, HI 96804</p>	<p>1 copy</p>
<p>Steven Alber Energy Analyst DBEDT-Strategic Industries Division P. O. Box 2359 Honolulu HI 96804</p>	<p>1 copy</p>

Dated: Līhu'e, Kaua'i, Hawaii, May 21, 2004.

Christiane L. Nakea-Tresler
CHRISTIANE L. NAKEA-TRESLER